

In the Matter of the State Voluntary Furlough Program

DOP Docket No. 2004- 3810

(Merit System Board, decided May 19, 2004)

The Commissioner, Department of Personnel, recommends relaxation of eligibility criteria to extend the voluntary furlough program up to the end of fiscal year 2005. It is noted that the Merit System Board had previously approved a rule relaxation of the eligibility criteria for the voluntary furlough program up to the end of fiscal years 2003 and 2004. Copies of those decisions are attached herein.

By way of background, in accordance with *N.J.A.C.* 4A:6-1.23(a), the purpose of the voluntary furlough program is to lessen the need for reductions in force by allowing State employees in the career, senior executive or unclassified services to take up to 30 days off from work without pay in a calendar year, with accrual of leave time, anniversary dates and seniority treated as if the employee is in pay status. *N.J.A.C.* 4A:6-1.23(c) provides that voluntary furlough may consist of shorter work days, intermittent days off or consecutive days off. A voluntary furlough may be used for any purpose except sick leave, as a leave without pay due to disability or to seek or engage in alternate employment. While *N.J.A.C.* 4A:6-1.23(d) provides that employees may extend a voluntary furlough beyond 30 days, such an extension is limited to a maximum of 60 days and must be taken in blocks of 10 work days. Additionally, while on furlough extension leave, the employee must pay the full premium amount (employer's and employee's share) to continue receiving health benefits coverage.

In the present matter, during this time of limited fiscal resources and in order to provide enhanced incentives for participation, the Commissioner, Department of Personnel, requests continued relaxation of the voluntary furlough program up to the end of fiscal year 2005. A total of 37,724 voluntary furlough days were utilized in fiscal year 2003, resulting in an approximate savings of \$7,582,524.00. To date, during fiscal year 2004, 26,435 voluntary furlough days were utilized, resulting in an approximate savings of \$5,318,908.00. Based on a straight arithmetic projection, the fiscal year 2004 program should at least achieve the utilization of days used in fiscal year 2003. Additionally, it is noted that approximately 90% of employees participating in the program utilize 30 days or less of voluntary furlough time during a fiscal year and only 2% use more than 90 days. Given the success of this program, the Commissioner requests that voluntary furlough may be requested and taken for a period of unlimited duration at any time up to the end of fiscal year 2005 so long as there are no increased costs due to overtime or the need to backfill and no loss of anticipated revenue. Additionally, any voluntary furlough taken during this time period may be used for any purpose

except for sick leave, leave without pay due to disability, or to seek or engage in alternative employment. Voluntary furloughs may consist of shorter work days, intermittent days off or consecutive days off. Lastly, paid health benefits will continue for all periods of voluntary furlough.

In order to implement this enhanced program, relaxation of *N.J.A.C.* 4A:6-1.23(a), *N.J.A.C.* 4A:6-1.23(c)2 and *N.J.A.C.* 4A:6-1.23(d) is requested.

Members of the Labor Advisory Board and Personnel and Affirmative Action Advisory Board were invited to submit their comments regarding this request, but none were offered.

N.J.A.C. 4A:1-1.2(c) provides that the Merit System Board may relax a Department of Personnel rule for good cause, on notice to affected parties, in order to effectuate the purpose of Title 11A, New Jersey Statutes.

CONCLUSION AND ORDER

Based on the present record, relaxation of *N.J.A.C.* 4A:6-1.23(a), *N.J.A.C.* 4A:6-1.23(c)2 and *N.J.A.C.* 4A:6-1.23(d) is appropriate in order to facilitate optimum utilization of the voluntary furlough program without loss of leave time or health benefit coverage for participating employees.

Therefore, it is ordered that this request be granted and voluntary furlough eligibility criteria be relaxed as provided herein up to the end of fiscal year 2005. In so doing, the restriction on outside employment shall not apply to Title 32 military service.

This is the final administrative determination in this matter. Any further review should be pursued in a judicial forum.